



Docket No. 002250-002

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:) Confirmation No. 2660
Michael B. SUNDEL) Group Art Unit: 3624
Serial No. 09/996,825) Examiner:
Subramanian, Narayanswamy
Filed: November 30, 2001)
For: **METHOD AND APPARATUS FOR**)
FACILITATING SHIPMENT OF)
PACKAGES)

DECLARATION UNDER 37 C.F.R. § 1.132

I, Michael B. Sundel, the inventor of U.S. Patent Application No. 09/996,825 ("Patent Application"), hereby declare that:

(1) The invention claimed in at least independent claims 1 and 33 of the Patent Application corresponds to the WorldPak system ("WorldPak shipping system") employed by Applicants' company, WorldPak, Inc. to provide novel services to its clients, as evidenced in Exhibit A, submitted herewith.

(2) I believe that what is unique about the WorldPak shipping system is that the WorldPak shipping system considers each individual item in a given (e.g., international) package to be the important unit. Other shipping systems consider the package to be the important unit. In addition, the WorldPak shipping system is not merely an order-taking or returns processing system. The WorldPak shipping system does not require clients to integrate their systems (e.g., order taking, returns processing, shipping, inventory control, etc.) with the WorldPak shipping system. Nevertheless, once the WorldPak shipping system receives the data employed, and which is relatively simple for a client to furnish, the WorldPak shipping system is able to provide the clients with all the services that may be required for the roundtrip movement of each item that the client's customer has ordered.

(3) The entire revenue of WorldPak, Inc. is based on offering the WorldPak shipping system and related services to clients. At present, virtually all of the revenue of WorldPak, Inc. results from a contract with Purolator USA, the U.S. subsidiary of

Purolator Courier Limited. Purolator is Canada's leading courier and logistics company, and is owned by Canada Post, the Canadian Postal Administration. WorldPak, Inc. provides services based on the WorldPak shipping system to support Purolator's U.S. clients that are shipping goods to Canada (and, in one case, to Japan). Such services based on the WorldPak shipping system are in the areas of small package shipping, truckload and less-than-truckload shipping, customs clearance, returns processing, online tracking, delivery performance reporting, manifesting, and billing. In 2004, the revenue of WorldPak, Inc. was about \$800,000, with salaries representing almost all of the overhead.

(4) WorldPak, Inc. does not advertise, as the contract with Purolator provides substantial business. The only advertisement WorldPak, Inc. has taken out in the past 8 or 9 years was for a special edition of an industry publication that had a featured article on Purolator, and wherein the advertisement basically congratulated Purolator for inclusion.

(5) A few years ago Canada Post formed a joint venture with the computer consulting giant CGI to provide IT services to postal administrations, including all Canada Post entities. The fact that Purolator still uses the WorldPak shipping system to service many of its U.S. customers further shows the commercial success of the WorldPak shipping system.

(6) It is evidenced from (2)-(5) above that the commercial success of the invention of at least independent claims 1 and 33 of the Patent Application is not due to advertising, but rather due to the novel, and non-obvious features of the invention of at least independent claims 1 and 33 of the Patent Application.

(7) I further declare that all statements made herein of my own knowledge are true, all statements made herein on information and belief are believed to be true, and further that these statements were made with the knowledge that willful false statements, and the like, are punishable by fine or imprisonment or both, under 18 U.S.C. 1001, and may jeopardize the validity of the Patent Application or any patent issuing thereon.

By Michael B. Sundel
Michael B. Sundel

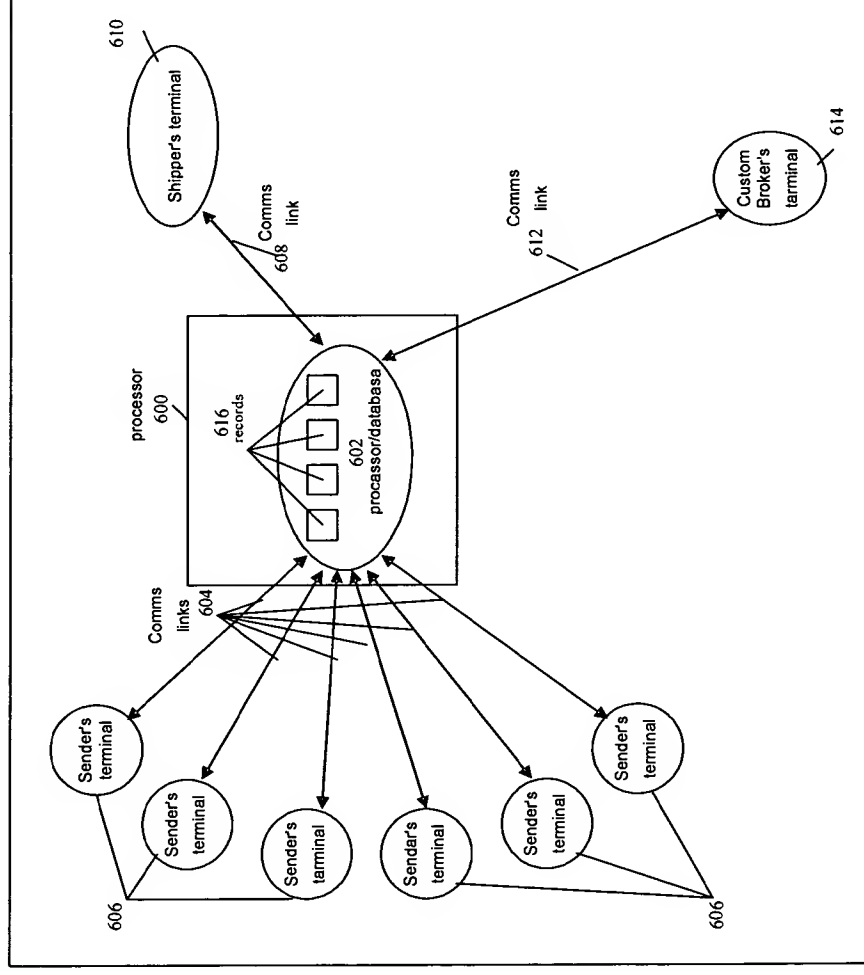
Date 11/1/05

EXHIBIT A

WorldPak

Services that we provide to Clients

WorldPak System Overview (US Patent Application Serial No. 09/996,825)



Services

- Label Printing
- Pick and Pack
- ExpressCheque
- Tracking
- Manifesting and Clearance
- Returns Processing
- Reports

Label Printing

The WorldPak system can print labels from a variety of data sources:

- Client Files
- Client Databases
- Data Entry
- Batch Printing, etc.

Data Flow

1. Clients provide us with one or more data files that contain all of information necessary for labeling and customs clearance.
2. We consider each individual item in a given package to be the important unit. Other shipping systems consider the package to be the important unit. In addition, our system is a shipping system, and not merely an order taking or returns processing system. We do not require our clients to integrate their (order taking, returns processing, shipping, inventory control, etc.) systems with our system.
3. Once we receive the data we require -- which is relatively simple for a client to furnish -- we are able to provide our client with all the services that may be required for the roundtrip movement of each item that the client's customer has ordered.
4. We convert the data file into an internal format used by our labeling system. The format of the data files varies widely among clients, and so we have developed custom conversion programs for each one.
5. Common address errors such as invalid postal codes and mismatched province codes are corrected during data pre-processing.
6. The corrected package information is loaded onto the WorldPak system at the client's premises or at a facility that handles the specific client.
7. Once the day's packages are processed, the WorldPak system transfers the edited shipping/contents data to WorldPak's servers for use in customs clearance, manifesting, billing, tracking, returns processing, and other client support functions.

Client Example 1

- Client transmit files to our FTP server multiple times each a week.
- Often records for as many as 20% of the packages have poorly formatted or incorrect addresses.
- Our data conversion utility corrects most of these errors automatically.
- The remaining addresses are manually inspected and corrected.
- The corrected address information is loaded into the WorldPak system at a facility in Bensenville, IL.
- The staff in Bensenville scans a bar code on each of the packages to print a Canada Post label
- When a shipment is ready to leave Bensenville the staff uses the WorldPak labeling software to transmit a file of all of the packages in that shipment.
- From this data file we generate a Canada Post manifest for each client product line and also the brokerage transmissions for customs clearance. We also load data into our on-line returns processing system so that undeliverable packages and returned items can be processed in Canada without the client's further participation.

Client Example 2

7:00 pm

- Client transmits a file to our server between 6:00pm and 7:30pm every weekday
- The file is automatically emailed to facility in Hamilton, ON

8:00 pm

- A USB flash drive is used to copy the file onto the WorldPak system, and then the data file is imported using a data conversion utility that we developed for client.
- Client data files often have missing province codes, city names, and other address fields. Since client often ships to the same customers, the conversion utility is able to automatically fix these errors in almost every case by comparing the incorrect address to previously corrected ones.

10:00 pm

- Between 10pm and 11pm, the staff in Hamilton begins scanning the bar codes on the packages to print labels. The WorldPak system automatically chooses the fastest available delivery method based on the postal code.

2:00 am

- The WorldPak system automatically transmits a file of all of the processed packages at 2:00am.

9:00 am

- We send a spreadsheet to client that includes tracking numbers for every package processed the previous night, along with packages that we received electronic information for but that were not physically received in Hamilton facility.
- We load the tracking information onto a website so that client can track packages using their internal order and package numbers. This allows the client staff to track packages without knowing external tracking numbers.
- We transmit the billing manifest.

Client Example 3

- Client has a WorldPak computer system at their facility.
- They have a utility that automatically copies a data file to the WorldPak system over their internal network.
- When the WorldPak labeling software is started it automatically imports the data file.
- In most cases address mistakes are automatically fixed.
- The remainder of address mistakes are manually corrected by the user at client facility. When the bar code for a package with an incorrect address is scanned, the software presents the user with an address correction screen along with a message indicating what is wrong with the current address.
- If the user is unable to correct the address we remotely connect to the computer system over the Internet to assist in the process.
- Once the staff at client facility is done labeling for the day they close the WorldPak software which then automatically transmits a list of the processed packages to us.
- We then generate and transmit the manifest and customs clearance file for the packages.

Client Database Connectivity

- The WorldPak labeling system is also capable of connecting directly to a client's database.
 - The client's staff scans a package barcode, the WorldPak system retrieves the package and contents information from the client's database, and then the appropriate label is printed.
 - If necessary, our system also generates the appropriate customs clearance file/paperwork, manifests, etc.
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Client Example 4

- The client's staff scans a barcode on a package slip.
- The WorldPak system connects to an AS/400 database over client's internal network to retrieve the addressing information for the specified package.
- City names are often misspelled, are sometimes suffixed with a province code, or are just incorrect. These errors are automatically fixed in most cases.
- The remainder of bad city names are manually corrected by the user.
- The system prints a label using the fastest delivery method for that postal code.
- The system is capable of writing the tracking number back into the AS/400 database; however, client is not using that functionality as they are still making changes to their database to accommodate it.
- Client prints a manifest to hand to the driver along with copies for internal billing and filing. The manifest utility runs on multiple computers at their offices and connects over their internal network to retrieve the tracking numbers for any day's packages.
- The WorldPak system transmits a file of the packages processed on a given day.
- From the package transmission we populate a website with tracking information so that client can track on their internal order number.
- We generate and transmit the manifest.

Data Entry

- Some clients are unable to provide us with data files or direct access to a database.
 - The WorldPak labeling system provides a data entry screen to allow the user to manually print labels.
 - The user can select an existing address from an address book, or manually type in all of the address information.
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Client Example 5

- Client has a WorldPak system at their site.
- The WorldPak system includes an address book of all of the stores that carry their product.
- The user selects the store from a drop down list.
- If the store is not in the address book, the user manually enters the address information. The WorldPak system then automatically adds the new address to the address book.
- The WorldPak system will automatically select Air service if it is available; however, the user can override the default and select Ground if desired.
- After all of the labels have been processed on a given day, the WorldPak system transmits a file that we use to generate the manifest and customs clearance transmission, and to populate the online returns processing system's database.

Batch Printing, etc.

- One client transmits a file to us for catalogs that need to be shipped. We load that file onto the WorldPak system at Logistics. The batch printing mode in our system then prints all of the labels for current shipment.
 - Another client has an address book of every store. Once a month they use the WorldPak system to batch print a label for every store in the address book. They are able to manually add new addresses as stores are added.
 - A further client also has a WorldPak system with a store address book. They use this system to mail paychecks to all of their Canadian stores.
 - Another client that has not gone live yet, will send packages to the facility in Bensenville. The packages have a bar code that identifies which store the package is going to. This identifier will be used to retrieve the address information from an address book by the WorldPak system.
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Pick and Pack

- A client currently has a Pick and Pack customer.
 - All of the packages are processed at the client facility in Seattle, which carries an inventory of customer products.
 - Customer transmits files to us that include information for generating Canada Post labels, pick tickets, and packing slips.
 - We load the data file onto the WorldPak system in Seattle and then print packing slips for the new packages.
 - The client staff in Seattle uses the pick tickets to pull the required items from inventory for each package.
 - They then place the packing slip in the box, and scan a bar code on the pick ticket to print a Canada Post label.
 - This automatically decrements the inventory count for each item on that order in the WorldPak system.
 - When all of the packages have been processed the WorldPak system transmits a file that we use to generate the Canada Post manifest and the PASS transmission.
 - The WorldPak system in Seattle also transmits an inventory adjustment file to customer that includes decreases due to shipped packages, and increases due to receiving inventory shipments from customer.
 - The inventory management module of the WorldPak system allows the staff in Seattle to receive new inventory from customer, and to make logged corrections after manual inventory counts.
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ExpressCheque and Landed Costs

- Client wants to start collecting duty and taxes from the customer at the time of delivery.
- The WorldPak system calculates duty, excise tax, PST, HST, and GST for the order.
- Along with a shipping label, an ExpressCheque is printed for the total tax amount.
- Client's customer then writes a check for the amount of the ExpressCheque when the package is delivered

Tracking

- Many clients' customers want to track packages using internal identifiers such as order numbers and package ID's.
 - The customer typically has to login to a website with a username and password. They are then presented with a customized tracking package that allows them to locate packages by order number, postal code, customer name, etc.
 - Once a package is located on the website, the user is provided with a link that redirects them to tracking information for the specified package's carrier. For small packages this is always either the Purolator or Canada Post tracking web site. For LTL shipments the user is redirected to the carrier's web site, such as TransX, Apex, and Day & Ross.
 - Some clients want tracking web pages that do not require a login screen. In this case we provide a customized URL that allows only the user to track by using an order number or tracking number.
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Manifesting

We generate electronic and paper manifests.

Clearance

- E14
- Low Value Shipment (LVS)
- Commercial Shipments

Returns

Our return service is unique in that it contains order, package and item information from our clients along with customs clearance information down to the individual item.

Our Canada-to-U.S. Returns service is used by clients to handle their south bound returns. Our service has been the only one to be able to match a client's item information to a corresponding clearance event and duty and tax payment. Most firms can only match items back to their original orders but can't match an item to its clearance event because they don't control the clearance aspect of their shipping. Since WorldPak's system holds both historical order information as well as historical customs clearance information, we alone have been able to offer a returns service allowing an individual item to be matched to both its original client order information and its individual item clearance.

Returns

The web site is also used by clients to process undeliverable packages and returned items.

The original label is often covered up by return shipment labels. The staff at Logistics uses any available information, such as order number, customer name, and postal code, from the labels on the box and sometimes from packing slips inside the box to locate the order information for the returned package.

Once the returned package is located the user is presented with a list of the items that have not yet been returned for that order.

The user specifies the quantity being returned, along with a reason for the return.

Reports

Many clients want custom reports to confirm that packages have been shipped, provide tracking numbers for the packages, list returned items, or provide inventory information.